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THE FATS AND OILS SITUATION

Summary

Domestic disappearance of fats and oils reached a new high level of 10.9 billion pounds in 1941, 12 percent more than the previous record of 9.8 billion pounds in 1940. Most of the gain occurred in industrial and military uses. Further increases in such uses are expected in 1942 and 1943, and, with improved consumer purchasing power, nearly all types of civilian uses will tend to increase as well.

Production of fats and oils from domestic materials also was at a record level in 1941, totaling 9.3 billion pounds. Domestic output may exceed 10 billion pounds in 1942 and 11 billion pounds in 1943 if present production goals are attained. The achievement of such levels of production, however, will require maximum efforts on the part of farmers, favorable weather conditions, and a greatly augmented recovery of lard, tallow, and greases in packing plants and other establishments.

Export requirements for fats and oils are mounting, mainly to meet acute needs of other United Nations arising from the loss of important supply sources. On the other hand, imports into the United States will be materially reduced so long as the far Pacific region remains closed to trade.

Total requirements for fats and oils for domestic consumption and export are placed at more than 12 billion pounds in 1942 and more than 12.5 billion pounds in 1943. Against these requirements production plus imports may not be much in excess of 11 billion pounds in 1942 and 12 billion pounds in 1943. Factory and warehouse stocks of fats and oils probably will be seriously reduced during 1942 and may be virtually exhausted before the year end.

In a recent announcement, cotton farmers were urged to plant up to their full cotton acreage allotments in 1942, particularly in areas which normally produce medium and long staple cotton and where planting of the full allotment will not reduce acreage of peanuts or soybeans. The goal previously established for cotton in 1942 was 25 million acres. In effect, the goal is now 25 to 27.4 acres. Planting of the full national allotment of 27.4 million acres would increase the output of cottonseed oil in 1942-43 compared with 1941-42 by 150-250 million pounds. Farmers also have been asked to substitute soybeans or flaxseed for oats and barley as cash crops wherever possible.

-- March 31, 1942

REVIEW OF RECENT DEVELOPMENTS

> BACKGROUND.- With large world supplies available, prices of fats and oils were at a low level in 1939. Prices advanced in the fall of that year, following the outbreak of war in Europe, but declined in the spring of 1940. During the first half of 1941, prices advanced sharply, reflecting a tight shipping situation for imported materials, marked improvement in domestic demand, and Government purchases of lard for export. Prices tended to level off during the second half of 1941, partly because of a temporary improvement in shipping and partly because of price-control measures.

Prices of Fats and Oils at or Near Ceiling Levels

Prices of fats and oils, which in January advanced to or near the new maximum levels permitted under Price Schedule 53 as amended January 2, scored some further gains in February following the upward revision in the maximum price permitted for lard and the removal of the ceiling on linseed oil. The index number of prices for 27 leading fats and oils in February, at 97 percent of the 1924-29 average, was one point higher than a month earlier and was 29 points (43 percent) higher than a year earlier.

The average price of cash lard at Chicago in February, at 12.2 cents per pound, was 14 percent higher than a month earlier but remained below the new maximum price of 12.63-1/2 cents established in early February. However, early in March the price of lard advanced to the new maximum level. With the removal of the ceiling, the price of linseed oil advanced about 2 percent in early February and 10 percent further in early March.

Other items to show notable price changes from January to February were oleo oil, up 10 percent; fish oils, oiticica oil, and castor oil, up about 5 percent; inedible tallow and greases, up 2 to 4 percent; butter, down 2 percent; and cod liver oil, down 4 percent. The decline in butter prices was seasonal.

Prices of Oilseeds Advance

Prices received by farmers for cottonseed, peanuts, flaxseed, and soybeans were 4 to 8 percent higher in mid-February than in mid-January, reflecting diminishing farm stocks and a strong demand for processing and for seed purposes. The farm price of soybeans in mid-February was more than 100 percent higher than a year earlier; the price of cottonseed was 83 percent higher; the average price of all peanuts was 60 percent higher, and the price of flaxseed was 31 percent higher.

The average price of imported castor beans at New York advanced to about $94 per long ton in February, a gain of 20 percent over the January average and 35 percent over the average in February last year. Further advances in early March carried the price to more than $100.

Quotations for copra prices are not available for February. In January, the price of bagged copra at Pacific Coast markets was $5.50 per 100 pounds, a gain of more than 200 percent over the price in January 1941. Copra prices had been gaining steadily in recent months, partly as a result of tightness in the ocean shipping situation. Since the loss of the main sources of supply in the far Pacific, little copra has been available for sale.

Price Schedule 25 Revoked

Price Schedule 25, issued by the Office of Price Administration and Civilian Supply on August 28, 1941, for the purpose of preventing speculation, hoarding, and undue price rises through the elimination and regulation of certain trade practices, was revoked by the Office of Price Administration effective February 23. Price Schedule 53 as amended, and Schedule 92, establishing maximum wholesale prices for fats and oils and derived products, continue in force.

Soybean Seed Purchase Date Advanced to April 10

The Secretary of Agriculture on January 23 asked that soybeans suitable for planting purposes be withheld from crushing until farmers have had sufficient time to make necessary purchases for spring seeding. To insure producers against a loss from holding good germinating seed of recognized varieties of high oil content, the Commodity Credit Corporation offered to purchase all lots of unmixed approved varieties of soybeans remaining on hand May 31, 1942 at a price of $2 per bushel, provided the seed germination was 85 percent or better.

On March 4, the date for acceptance of soybean seed under the purchase offer was advanced from May 31 to April 10. This action was taken in order to speed up the determination of the suitability of seed supplies on hand, to facilitate the distribution as seed of any stocks acquired by the Government, and to prevent soybeans being withheld unnecessarily from processing at this time and later interfering with the crushing of the much larger crop expected in 1942. Reports indicate that in the principal soybean-producing States adequate supplies of soybeans of good germination are available to meet the 1942 acreage goals. It is important for growers to determine the germination of their soybeans, and if they have more seed of good germination than they need for their own purposes to make the excess available to neighbors or seed dealers. Soybeans of known low germination should be moved into processing channels. Those of high moisture content should be dried slowly at less than 100° Fahrenheit and sent to the commercial market before spring weather causes heating in farm or elevator storage.

Disappearance of Fats and Oils Up 12 Percent in 1941

Domestic disappearance of fats and oils (crude basis) totaled 10,942 million pounds in 1941, 12 percent more than the previous record total of 9,767 million pounds in 1940. The greatest percentage increases occurred in industrial fats and oils.

Among the fats and oils used primarily for soap and glycerin, the following changes in disappearance were recorded in 1941 compared with 1940: Inedible tallow and greases, up 416 million pounds; coconut oil, up 129 million pounds; and palm oil, up 111 million pounds. Partly offsetting these large gains were decreases in use of marine animal oils, inedible olive oil including foots, babassu oil, and palm-kernel oil totaling 74 million pounds. Other items to show major changes were the drying oils, with disappearance of linseed oil up 226 million pounds, and disappearance of castor oil, used partly for drying purposes, up 67 million pounds. Tung-oil consumption in 1941 was slightly higher than a year earlier despite a restricted supply, but the use of perilla oil (formerly obtained from Japan) was reduced to a low level.

Among the fats and oils used primarily for food, total disappearance in 1941 showed the following increases compared with 1940: Cottonseed oil, up 189 million pounds; peanut oil, up 84 million pounds; soybean oil, up 57 million pounds; edible beef fats and oils, up 44 million pounds; corn oil, up 2 million pounds. On the other hand, disappearance of edible olive oil was 31 million pounds less in 1941 than in 1940, and disappearance of butter was 67 million pounds less (table 3).

Although detailed figures of consumption of fats and oils by major industries in 1941 are not yet available, it appears that the use of fats and oils for industrial purposes was 25 percent or more greater than in 1940, while for food purposes the increase was of the magnitude of only 4 or 5 percent. Both soap and paint production scored notable gains in 1941 and the use of fats and oils for lubricating purposes undoubtedly was considerably increased. Most of these gains resulted directly or indirectly from the military program. In the case of soap, not only were large quantities purchased for Army and Navy use, but the demand for glycerin, a byproduct in soap manufacture, was materially expanded. Glycerin has a wide variety of uses; among the more important products employing glycerin at present are industrial and military explosives, alkyd resins, and pharmaceuticals. The use of paints and varnishes for protective coatings on ships, tanks, guns, airplanes, shells, etc., assumed growing proportions in 1941. New construction activities of all kinds including housing, was perhaps of even greater importance in strengthening the demand for paint and varnish oils. Residential building construction probably will be a diminishing influence in this respect in 1942 and 1943, while military and marine uses will continue to grow in importance.

Production at Record Level in 1941, Further Increases Expected in 1942 and 1943

Production of fats and oils from domestic materials set a new high record of 9.3 billion pounds in 1941. The previous record was 8.8 billion pounds in 1940 (table 2). Major increases in 1941 occurred in the production of inedible tallow and greases, cottonseed oil, linseed oil, peanut oil, soybean oil, corn oil, and edible beef fats. Butter production was slightly higher than a year earlier, but lard production was reduced. In addition to the 9.3 billion pounds of fats and oils produced from domestic materials in 1941, nearly 1 billion pounds of vegetable oils were expressed or extracted from imported materials, including a substantial proportion of the linseed oil produced (table 3).

Output of fats and oils from domestic materials in 1942 and 1943 will depend largely on the degree of attainment of present acreage goals for oil crops and production goals for animal fats, and will depend also on weather conditions. If the 1942 goals are fully attained and growing conditions are reasonably favorable, production of fats and oils from domestic materials may total about 10.3 billion pounds in 1942 and 11.5 billion pounds in 1943. The 1942 production thus would be 1 billion pounds larger and the 1943 production about 2.2 billion pounds larger than that in 1941. The achievement of such production will require maximum efforts on the part of farmers to attain their 1942 oil-crop acreage and hog-marketing goals, and also will require intensive efforts to ensure increased recovery of animal fats and greases in packing plants and other establishments, including homes.

In terms of the announced acreage goals for oil crops in 1942, increases in vegetable oil production in the crop year 1942-43 compared with 1941-42 (assuming attainment of the goals and average crop yields) would be approximately as follows: Peanut oil, 650 million pounds; soybean oil, 400 million pounds; cottonseed oil, 150 million pounds; linseed oil, 150 million pounds; total, 1,350 million pounds. These figures, of course, are not strictly comparable with those showing possible increases by calendar years indicated above. On a calendar-year basis, most of the increase in vegetable oil production would occur in 1943.

In addition to the possible increase in output of vegetable oils, lard production may be increased by 300 million pounds in 1942 and 200 million pounds further in 1943 as a result of increased hog slaughter. An additional 200 million pounds or more of lard probably could be produced annually by closer trimming of hog fat in packing plants. To accomplish this, it would be necessary for commercial hog slaughterers to increase the lard cut-out per 100 pounds of hog from the 1941 rate of about 13.6 pounds to 15 or 15.5 pounds. This would mean a gain of approximately 4 pounds of lard per hog slaughtered in commercial establishments, assuming an average live weight of 240 pounds for hogs so slaughtered. The highest lard yield on record occurred in the years 1922-24, when more than 16 pounds of lard were produced from each 100 pounds of hog slaughtered under Federal inspection. In that period, however, the wholesale price of lard at Chicago was somewhat higher in relation to pork prices than at present. Other factors affecting the lard cut-out also may have changed since the middle 1920's.

Increased production of tallow and greases in 1942 and 1943 also is possible, chiefly outside packing plants. Greases are now recovered to a considerable extent in some areas through collection of scrap fats and bones from retail butcher shops, hotels, and restaurants, and through salvage operations in manufacturing establishments and garbage disposal plants. Although these greases are not suitable for food purposes, they can be used in the production of soap and glycerin and as lubricants. Commercial recovery of greases has shown a fairly steady increase in recent years, but further increases undoubtedly are possible. In addition, a large reservoir of unused fats and greases exists in homes throughout the country. At least part of these fats and greases could be recovered if a practicable system of collection were developed. Recently a plan was inaugurated by the Office of Civilian Defense in the Chicago area whereby strained kitchen fats and greases may be sold in open containers by the homemaker to retail butcher shops and meat counters for 4 to 5 cents per pound, depending on quality. Under this plan, the retail merchant resells to rendering establishments, with an allowance of 1 cent per pound as operating margin. Periodical collections of scrap fats are made from retail butcher shops by rendering establishments in the normal course of their operations. The Chicago plan appears to offer promising results, and such a plan probably could be extended on a national scale, particularly in areas where frequent collections from retail shops can be made. It is not known how much additional greases could be recovered if concerted efforts were made, but an increased recovery from all sources of at least 500 million pounds per year appears possible.

DEVELOPMENTS AFFECTING PRODUCTION GOALS

Cotton Acreage Goal Increased

The Secretary of Agriculture on March 4 called on cotton farmers to plant up to their full cotton allotments, particularly in areas which normally produce cotton of a staple length of 1 inch or better, and where the planting of the full allotment will not reduce the acreage planted to oil crops such as peanuts and soybeans. Because of war developments, there is an increased need for cotton of the longer staple lengths as well as for vegetable oils.

The full national cotton acreage allotment for 1942 is about 27.4 million acres. The goal previously established for cotton in 1942 was 25 million acres. In effect, the goal is now 25-27.4 million acres. Farmers last year underplanted the national cotton allotment (27.4 million acres) by some 4 million acres.

If the 1942 cotton yield should be equal to the average yield of 211 pounds per planted acre for the 10 years, 1931-40, the planting of 27.4 million acres this year would result in a crop of about 12.1 million bales compared with slightly less than 11 million bales from 23,250,000 planted acres in 1941. With a cotton crop of this size, the production of cottonseed oil in 1942-43 would be about 150 million pounds larger than in 1941-42.

Castor Bean Seed Program Announced

It was announced on February 16 that Commodity Credit Corporation will purchase castor beans of the 1942 crop to increase the supply of seed for planting in 1943 in the event that imports from South America are curtailed. The castor beans will be purchased from growers who plant seed in 1942 to be distributed by the Agricultural Adjustment Administration. It is estimated that 7,000 acres will be planted in castor beans from the seed distributed this year. The yield is expected to be approximately 3,500,000 pounds of seed, net cleaned weight.

Commodity Credit Corporation will pay a basic price of 4 cents per pound for mature, dry, castor beans in the hull, on the basis of 70 percent shelling weight. To be eligible, seed must have been planted, cultivated, and the castor beans in the hull harvested under the supervision of the Agricultural Adjustment Administration and the Bureau of Plant Industry by growers who have been certified by a County Agricultural Conservation Committee.

Appropriate differentials will be paid for castor beans in the hull that have a shelling percentage greater or less than 70 percent. Producers will be required to make delivery of castor beans in the hull to delivery points in the area to be designated by the County Agricultural Conservation Committee. The expense of transportation from delivery points, thrashing, bagging, and warehousing, will be paid by Commodity Credit Corporation, in addition to the price paid to producers for the castor beans in the hull.

Agricultural Adjustment Administration Program Amended to Encourage Production of War Crops

Two important amendments in the Agricultural Adjustment Administration program to obtain increased production of "war crops" in 1942 in areas particularly adapted to such crops were announced February 24. The amendments are intended to stimulate especially the production of oil crops. They apply particularly to flaxseed and soybeans, grown principally in West and Midwest areas, but other war crops including peanuts for oil and castor beans are included. The amendments aim at (1) expansion of war crop acreage wherever necessary to increase production for 1942, and (2) continuation of soil-building practices to increase production for 1943 and the duration of the war through increased yields per acre.

The first amendment extends the list of crops and land uses which may be used to meet the requirement that 20 percent of the farm's cropland be devoted to soil building crops. Added to the list are grasses and legumes seeded with flaxseed, peas, or small grains as a nurse crop. However, the extent to which these crops qualify depends upon the acreage of the war crops grown on the farm. It was pointed out that farmers who underseed spring wheat acreage in 1942 in order to grow increased acreages of war crops will not thereby alter the basis upon which their wheat acreage allotments will be established in the future.

The second amendment is directed at peanut growing areas, where the soil building program requires that cooperators devote a minimum of 25 percent of their cropland to erosion-resisting crops. The amendment provides that peanuts grown for oil may qualify under the 25 percent requirement, providing such acreage is seeded with an approved cover crop next fall following harvest. However, only half the erosion-resisting acreage requirement may be met under the amendment.

Soybean Loan and Purchase Program for 1942 Crop Announced

On February 24 the Department of Agriculture announced terms of a loan and purchase program to be administered by Commodity Credit Corporation on the 1942 crop of soybeans. The program implements the announcement made on January 15, in connection with the 1942 production goals, that prices for yellow soybeans of high-oil content varieties would be supported at not less than $1.60 per bushel.

Under the program, Commodity Credit Corporation offers to make loans on farm-stored soybeans at $1.65 per bushel for green and yellow high-oil content beans, or to purchase soybeans stored in approved warehouses or delivered to designated delivery points at $1.60 per bushel for green and yellow high-oil content beans.

The base rates at which soybeans will be purchased from producers at warehouse points or designated delivery points, will vary according to class, grade, and quality. Rates for classes I and II (green and yellow) will be $1.60 per bushel for high-oil content and $1.50 per bushel for medium-oil content beans, and rates for classes III, IV, and V (brown, black, and mixed) will be $1.50 per bushel for high-oil content, and $1.40 per bushel for low-oil content beans. To be eligible for purchase, the soybeans must grade No. 4 or better, must have been produced in compliance with the Agricultural Adjustment Administration program, and must be owned by the producer, and must not be classed as weevily, musty, sour, heating, or have any objectionable odor. Grades below No. 2 will be purchased at the basis of discounts generally recognized by the trade. Purchases will be made through June 30, 1943.

In determining the classification for the base rate, the Official Grain Standards of the United States for soybeans shall be used. High-oil content beans of the classes I and II shall be considered as beans having a fat content of not less than 17-1/2 percent on a 10 percent moisture basis. All varieties approved by the State United States Department of Agriculture War Board of United States classes I and II (green and yellow) produced in the High-Oil Content Area shall be deemed to be high-oil content soybeans. The High-Oil Content Area is comprised of the States of North Dakota, South Dakota, Nebraska, Kansas, Missouri, Kentucky, West Virginia, Maryland, Delaware, and all States north and east thereof. Provision is made for the inclusion of other areas if evidence submitted by the producers indicates the beans produced to be of the high-oil content standard, and similarly, areas will be excluded if determination by the Commodity Credit Corporation indicates the beans are not of this type. Medium-oil content soybeans of classes I and II, under the terms of the purchase program, will be considered as all beans having a fat content less than 17-1/2 percent on the basis of 10 percent moisture, which are produced outside the High-Oil Content Area.

High-oil content soybeans of classes III, IV, and V (brown, black, and mixed) shall also be determined on the basis of the official classification. Low-oil content beans of classes III, IV, and V (brown, black, and mixed) will be those beans produced anywhere in the United States having fat content less than 17-1/2 percent, that are so classed according to the official standard. Provision is also made, however, for the low-oil content beans to receive a higher classification if a determination on the basis of representative samples indicates the beans usually grown in the county to have a higher oil content.

In areas approved for farm storage, loans will also be made to those producers who agree to store eligible soybeans on the farms. The rates at which loans will be made will be 5 cents a bushel higher than the base purchase rate. To be eligible for a loan, soybeans must have been produced in 1942 in compliance with the Agricultural Adjustment Administration program, must be owned by the producer, and must grade No. 3 or better, and have a moisture content of not in excess of 14 percent. In addition, beans will not be eligible that grade weevily, musty, sour, heating, or have any objectionable odor.

The discount for soybeans grading No. 3 will be 3 cents per bushel less than the applicable base loan rate. The same definition of classifications and areas as apply under the purchase program will also apply to the loan program. Loans will be available through March 31, 1943 and will mature on demand, but not later than June 30, 1943. Under the terms of the loan agreement, the beans may be stored on the farm until September 1, 1943. If the producer fails to store the beans as required, except in the event the loans are called, he will be required to refund to the Commodity Credit Corporation an amount equal to one half cent per bushel per month for each month or fraction of a month thereof he fails to store the beans, but not to exceed 5 cents per bushel.

Seed Distribution Plan Announced for Peanuts for Oil

The Department of Agriculture announced February 16 that stocks of peanuts suitable for seed held by designated agencies operating under the

Peanut Marketing Program would be released to Commodity Credit Corporation and sold only for the planting of peanut acreage for oil purposes. Farmers will be required to meet specified conditions to obtain seed from the stocks of the designated agencies. The need for the seed must be established through a certificate issued by the local Agricultural Conservation Association showing the acreage of peanuts to be planted for oil purposes, and the farmer will have to enter into an agreement to use the seed only to plant acreage for oil purposes. The seed will not be available for the purpose of planting allotted acreages of quota peanuts.

Farmers may purchase the peanuts either for cash or they may sign a note agreeing to pay for the peanuts later in cash or by delivery of peanuts out of their 1942 crop. The distribution of seed will be made through warehouses of the designated agencies and seed dealers in the areas in which peanuts will be planted in 1942. Information will be issued by these agencies with respect to the location of these seed distributing points. The three designated agencies participating in the Peanut Marketing Program are the Southwestern Peanut Growers Association, Gorman, Texas; GFA Peanut Association, Camilla, Georgia; and Peanut Growers Cooperative, Franklin, Virginia. Prices for United States No. 1 farmer's stock peanuts as seed to growers will be approximately as follows: Virginia type, class A, $103 per ton; Southeastern Spanish, $99 per ton, Southwestern Spanish, $97 per ton, runner peanuts, $93 per ton. Transportation charges, if any, will be added to these prices, and in addition $2 to $4 per ton will be charged if purchases are made in lots of less than 5 tons, and $2 per ton will be charged if purchases are made on a deferred payment basis. Lower prices will prevail for United States No. 2 and United States No. 3 peanuts. Prices of recleaned peanuts as seed to growers will be approximately $120 per ton for small white Spanish and $110 per ton for runner peanuts, plus charges of $5 to $7.50 per ton for purchases in lots of less than 1 tons and other charges as indicated above.

In addition to peanuts obtained from the cooperatives, the Commodity Credit Corporation is also acquiring white Spanish type peanuts from shellers and crushers under priority certificates with A-10 ratings issued by the War Production Board. Peanuts so acquired will be resold to growers for planting quota acreage and acreage to be 'hogged off' at the prices paid for the peanuts plus a small handling charge. In cases where the seed holdings of the cooperative associations prove inadequate, peanuts purchased from processors also may be sold to growers as seed to be used in the production of peanuts for oil at the schedule of prices indicated in the case of association stocks.

Farmers Urged to Substitute Flaxseed and Soybeans for Oats and Barley

The Department of Agriculture on March 7 urged farmers who grow oats and barley as cash crops to substitute soybeans or flaxseed for these crops wherever possible. This is an additional step designed to bring about further increases in domestic vegetable oil production to supply expanded war needs, and replace supplies formerly imported.

The suggestion to substitute these oil crops applies to areas where oats and barley are grown as cash crops, and does not apply where these grains are needed as nurse crops for new grass and legume seedings.

The request to substitute soybeans for oats and barley follows other measures in a program to encourage greater vegetable oil production. These measures include:

(1) A program to assist farmers in obtaining soybeans and peanuts for seed.

(2) A price supporting purchase and loan program for soybeans, peanuts and flax.

(3) A revision in the Agricultural Adjustment Administration program to add grasses and legumes seeded with flax, peas, or small grain to the list of crops and land uses which may be used to meet the requirement that 20 percent of the farms' cropland be devoted to soil building crops.

(4) A revision in the Agricultural Adjustment Administration program providing that approved cover crops--seeded next fall on acreage now devoted to peanuts grown for oil--may qualify for as much as one half of the erosion-resisting acreage requirement. In most of the peanut growing areas, the soil building program requires that cooperators devote a minimum of 25 percent of their farms' cropland for a part of the program year to erosion-resisting crops.

(5) A plea to cotton growers to plant their full allotments in order to make available as much cottonseed oil as possible, except where this would interfere with contemplated peanut or soybean increases.

NEED FOR INCREASED PRODUCTION OF FATS AND OILS

Imports Reduced by War in the Pacific

Normally the United States imports 1.5 to 2.5 billion pounds of fats and oils annually, with roughly 35 percent of the total originating in the far Pacific region. For several months before the outbreak of war with Japan on December 7, 1941, imports from the Pacific area constituted about 60 percent of our total imports of oilseeds, fats, and oils, with such imports replacing in part the imports from Europe and North Africa which were lost in the spring of 1940.

The principal items imported from the Far East were coconut oil and copra, chiefly from the Philippines, palm oil from the Netherlands, East Indies and Malaya, tung oil from China, and perilla oil from Manchuria and Japan. Nearly all countries in the Western Hemisphere are not importers of coconut oil or copra. Relatively small quantities of copra are produced in the Caribbean area and in northern South America, but most of the copra produced is consumed locally or exported to neighboring countries. Negligible quantities of palm oil are produced in Brazil. Tung tree cultivation is practiced in various areas extending from southern United States to northern Argentina, but here again only small quantities of oil are produced.

and 90 percent or more of total requirements of the Western Hemisphere under normal conditions would be met by imports, principally from China. Perilla seed is not cultivated to any appreciable extent in the Western Hemisphere.

The complete loss of imports of oilseeds and oils from the far Pacific would mean a loss to the United States of about 1 billion pounds of fats and oils annually, approximately 9 percent of the total domestic use at the present rate of consumption. Indirectly, it might result in a further loss, as Canada, Mexico, and certain other Latin American countries also have been dependent on far eastern sources for part of their supplies of fats and oils, and those countries are now looking to the United States as well as to Brazil and Argentina as alternative sources of supply.

The Western Hemisphere is nearly self-sufficient with regard to fats and oils as a whole. There are usually large hemisphere surpluses for some items, notably flaxseed, lard, tallow, soybean oil, and cottonseed oil; but there are substantial deficits for other items, including coconut oil, palm oil, tung oil, olive oil, perilla oil, and fish-liver oils (cf. The Fats and Oils Situation, September 1940). Under present conditions, the "surplus" items must be converted to "deficit-item" uses. That is, coconut and palm oils used in food products and soap must be largely replaced by cottonseed oil, peanut oil, soybean oil, tallow lard, and possibly linseed oil. Tung and perilla oils in paints, varnishes, and related products, similarly, must be replaced to a large extent by linseed, castor, and oiticica oils. There is also a major problem of transportation involved, since, with the exception of lard, "surplus" supplies at present are located mainly in Argentina and Brazil.

During the period 1935-39, the foreign trade position of the Western Hemisphere for all fats, oils, and oil-bearing materials in terms of oil, was as follows:

Country or area	Imports	Exports	Net imports	Net exports
	Million pounds	Million pounds	Million pounds	Million pounds
United States	2,138	366	1,772	---
Canada and Newfoundland	240	63	177	---
Mexico	67	4	63	---
Central America and Caribbean Countries	111	1	110	---
South America	127	1,716	---	1,589
Western Hemisphere	2,683	2,150	533	---

Data by commodities are given in table 4.

Of the "surplus" of approximately 1.6 billion pounds of fats and oils indicated for South America, more than 75 percent was in the form of flaxseed produced in Argentina and Uruguay. The balance consisted of relatively small quantities of babassu kernels, castor beans, cottonseed oil, oiticica oil, palm kernels, and lard, mainly in Brazil, and of butter, tallow, and neatsfoot oil in Argentina. In addition to these items, there are at present small exportable surpluses of rapeseed and sunflower oil in Argentina.

On the basis of past performance, and what is known to be now available in South America, it is probable than 400 to 500 million pounds of fats and oils, including oil in oilseeds, could be obtained by the United States in 1942, exclusive of flaxseed. Some 80 to 90 million bushels of flaxseed are available in Argentina and Uruguay for export this year. In terms of oil, this would be 1,500 to 1,700 million pounds. However, shipping space is at a premium, and probably not more than 20 million bushels of flaxseed, equivalent to about 380 million pounds of linseed oil, can be transported to the United States this year. Assuming that sufficient shipping space could be obtained from other items, imports from South America, in terms of oil, would be not more than 800 to 900 million pounds. Some additional imports of coconut oil and copra, palm oil, and palm kernels are possible from areas such as the South Pacific, Ceylon, East Africa, and West Africa. But in view of large British Empire requirements in some of these areas, and the uncertainty of the shipping situation, probably not more than 100 or 200 million pounds of oil can be so obtained. Total imports of fats and oils in 1942 from all sources are not likely to exceed 1 billion pounds, and may be considerably less than that quantity. Well over 2 billion pounds of imports could be used to advantage.

Export Requirements Increased

In 1940, the United States exported some 400 million pounds of fats and oils. In 1942 and 1943, 1 to 2 billion pounds, perhaps more, will be required for export each year. The expansion in export requirements arises principally from the needs of the United Kingdom and the Soviet Union whose normal supplies have been reduced by the loss of access to important exporting areas. Canada, Mexico, and certain other Latin American countries also are looking to the United States for increased supplies to make up in part their losses in imports from invaded areas. At this time, export requirements for 1942 are placed tentatively at 1 to 1.5 billion pounds. But the situation could quickly be altered if shipping from Australasia and India to the United Kingdom were seriously impeded.

Domestic Demand for Fats Still Rising

Domestic disappearance of fats and oils, which reached the record total of 10.9 billion pounds in 1941, is expected to increase further in 1942 if not restricted. Disappearance in 1942 may be 11 to 11.5 billion pounds. The increased consumption would come largely in essential industrial and military uses, but with increased consumer purchasing power available and with comparatively stable prices, all types of civilian use, with the possible exception of painting, also would be likely to show expansion. Disappearance in 1943, assuming that supplies were adequate, might total 11.5 to 12 billion pounds.

The probable requirements and supply situation for fats and oils, including the oil contained in oilseeds, in 1942 and 1943 may be roughly summed up as follows:

Item	1942	1943
	Billion pounds	Billion pounds
Domestic consumption, unrestricted	11.0-11.5	11.5-12.0
Exports, including lend-lease	1.0- 2.0	1.0- 2.0
Total requirements	12.0-13.5	12.5-14.0
Domestic production, probable maximum	10.3	11.5
Imports, probable maximum	1.0	1.0
Production plus imports	11.3	12.5
Probable deficit-deduct from stocks	.7- 2.2	0- 1.5
Stocks, January 1		
Crude and refined fats and oils in terms of crude	2.2	(1.6- .1
Imported oilseeds in terms of oil 1/	.1	(

1/ Stocks of domestic oilseeds are not included since such stocks are considered in the domestic production estimates.

It is apparent from these figures that total requirements for fats and oils in 1943 are likely to exceed total supplies even if maximum domestic production under present goals is attained. Factory stocks probably will be seriously reduced during 1942 and may be virtually exhausted before the year end. This would mean that many factories would be without adequate working supplies of fats and oils and would be forced to close down at least temporarily. With the exhaustion of factory stocks, the supply of fats and oils available for domestic consumption and export in 1943 would be limited to domestic production and imports, and there would be no margin of safety for meeting fully domestic requirements or any additional emergency requirements of other United Nations. Minimum working stocks of 2 billion pounds are believed to be necessary for the effective operation of our fats and oils processing and distribution industries. In addition, it probably would be desirable to have some supply in reserve for meeting unforeseen emergencies.

Table 1.- Price per pound of specified fats, oils, and glycerine,
February 1940 and 1941, December-February 1941-42

Item	Feb. 1940	Feb. 1941	1941-42 Dec.	1941-42 Jan.	1941-42 Feb.
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	29.0	30.1	34.6	35.2	34.5
Butter, 92-score, New York	29.6	30.8	35.0	35.4	34.8
Oleomargarine, dom. veg., Chicago	15.0	14.5	18.1	18.5	19.0
Compounds (animal and veg. cooking fats), Chicago	9.5	10.5	16.3	16.8	17.1
Lard, prime steam, tierces, Chicago	6.1	6.2	10.0	10.7	12.2
Lard, refined, cartons, Chicago	6.7	6.8	12.5	12.9	13.4
Oleo oil, extra, tierces, Chicago	7.2	7.0	11.5	11.8	13.0
Oleostearine, bbl., N. Y.	6.4	6.3	10.8	10.8	10.8
Tallow, edible, Chicago	5.4	5.1	9.0	9.6	9.7
Corn oil, crude, tanks, f.o.b. mills	6.1	6.6	11.3	12.4	12.5
Corn oil, refined, bbl., N. Y.	8.6	9.4	14.9	15.4	15.5
Cottonseed oil, crude, tanks, f.o.b. S. E. mills	6.0	5.3	12.0	12.6	12.6
Cottonseed oil, p.s.y., tank cars, N. Y.	6.9	6.2	13.1	13.7	13.9
Peanut oil, crude, tanks, f.o.b. mills	6.9	5.3	12.1	13.0	13.0
Peanut oil, dom. refined, bbl., N. Y.	9.6	8.5	15.9	16.4	16.8
Soybean oil, crude, tank cars, midwestern mills	5.4	5.1	10.1	11.4	11.7
Soybean oil, dom., crude, drums, N. Y.	6.9	6.8	12.3	12.8	13.0
Soybean oil, refined, drums, N. Y.	8.3	8.0	13.7	14.0	14.2
Babassu oil, tanks, f.o.b. mills, Pacific Coast	---	6.0	---	---	---
Coconut oil, crude, tanks, f.o.b. Pacific Coast 1/	5.8	6.0	---	---	---
Coconut oil, edible, drums, N. Y.	8.6	8.0	2/15.2	---	---
Olive oil, edible, drums, N. Y.	26.7	42.9	74.8	75.7	75.7
Olive oil, inedible, drums, N. Y.	12.9	30.4	54.8	58.4	59.3
Olive-oil foots, prime, drums, N. Y.	8.3	10.6	18.2	18.9	19.6
Palm oil, Niger, crude, drums, N. Y. 1/	8.2	7.2	12.4	12.4	12.2
Palm oil, Sumatra, tanks, N. Y. 1/	---	5.2	11.8	---	---
Rape oil, drums, N. Y.	13.7	12.7	15.2	15.4	15.5
Rape oil, blown, drums, N. Y.	17.2	17.5	17.6	18.0	18.2
Teaseed oil, crude, drums, N. Y.	12.5	17.2	29.2	30.0	30.0
Tallow, inedible, Chicago	5.0	4.5	8.5	9.1	9.3
Grease, A white, Chicago	5.1	4.6	8.8	9.2	9.6
Menhaden oil, crude, tanks, f.o.b. Baltimore	4.7	4.7	8.0	8.2	8.6
Sardine oil, crude, tanks, Pacific Coast	4.9	6.0	8.0	8.4	8.9
Whale oil, refined, bleached winter, drums, N. Y.	9.5	9.5	11.1	11.1	11.1
Linseed oil, raw, tank cars, Minneapolis	10.1	8.8	10.0	10.6	11.1
Linseed oil, raw, drums, carlots, N. Y.	10.4	9.6	10.8	11.3	12.0
Perilla oil, drums, N. Y.	20.0	18.1	22.8	24.2	24.6
Oiticica oil, drums, N. Y.	20.2	18.1	22.8	24.1	25.2
Tung oil, drums, N. Y.	27.5	27.6	36.4	39.0	40.1
Castor oil, No. 3, bbl., N. Y.	12.8	9.8	12.5	12.5	13.4
Castor oil, dehydrated, drums, carlots, N. Y.	18.1	13.2	16.9	16.9	17.6
Cod-liver oil, med. U.S.P. bbl., N.Y. (dol. per bbl.)	33.5	68.5	87.5	82.1	78.5
Cod oil, Newfoundland, drums, N. Y.	9.6	8.7	10.5	10.8	11.3
Glycerin, soaplye, 80 percent basis, tanks, N. Y.	8.0	7.6	11.5	11.5	11.5

Compiled from Oil, Paint and Drug Reporter, The National Provisioner, and reports of the Agricultural Marketing Service and Bureau of Labor Statistics. Prices quoted include excise taxes and duties where applicable.

1/ Three-cent processing tax added to price as originally quoted. 2/ Less than carlots.

Table 2.- Production of animal and vegetable oils from domestic materials and total domestic disappearance, all fats and oils, United States 1912-41, 1942 and 1943 estimated

Year	Production from domestic materials			Total domestic disappearance, all fats and oils	Production from domestic materials as a percentage of total domestic disappearance
	Animal fats and oils (including marine)	Vegetable oils	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Percent
1912	3,827	1,826	5,653	5,089	111
1914	3,921	2,220	6,141	5,834	105
1916	4,263	1,920	6,184	6,143	101
1917	3,830	1,821	5,651	6,088	93
1918	4,197	1,627	5,824	6,388	91
1919	4,425	1,809	6,234	6,181	101
1920	4,455	1,286	5,741	5,842	98
1921	4,842	1,654	6,496	5,997	108
1922	5,297	1,251	6,548	6,800	96
1923	5,895	1,296	7,191	7,266	99
1924	5,949	1,680	7,628	7,456	102
1925	5,405	2,092	7,496	7,876	95
1926	5,599	2,202	7,801	8,101	96
1927	5,622	2,312	7,935	8,282	96
1928	5,680	2,030	7,710	8,470	91
1929	5,806	2,062	7,868	8,723	90
1930	5,536	2,061	7,597	8,387	91
1931	5,674	1,838	7,512	8,335	90
1932	5,748	1,911	7,659	8,001	96
1933	6,065	1,720	7,785	8,173	95
1934	5,756	1,531	7,287	8,614	85
1935	4,571	1,612	6,183	8,662	71
1936	5,208	1,846	7,055	9,094	78
1937	4,886	2,133	7,019	9,247	76
1938	5,435	2,369	7,804	9,077	86
1939	5,888	2,340	8,228	9,648	85
1940	6,329	2,435	8,764	9,767	90
1941 1/	6,528	2,812	9,340	10,942	85
			Estimated		
1942	7,200	3,100	10,300	---	---
1943	7,500	4,000	11,500	---	---

Computed from production, trade, and stocks given in individual commodity tables, United States Department of Agriculture Statistical Bulletin No. 59; The Fats and Oils Situation, July 1939, and subsequent monthly issues of that publication. Total computed from unrounded numbers.

1/ Preliminary.

Table 3.- Production and disappearance of specified fats and oils, crude basis, United States, 1939-41

Item	Production			Apparent domestic disappearance		
	1939	1940	1941 1/	1939	1940	1941 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Animal fats and oils -						
Butter 2/	2,267.8	2,270.0	3/2,290.6	2,333.0	2,274.7	2,208.1
Lard, including rendered pork fat 2/	1,997.9	2,296.7	3/2,250.0	1,632.3	1,932.6	1,934.8
Neat's-foot oil	5.0	4.0	4.3	4.1	3.7	3.0
Oleo oil	75.9	69.5	92.0	69.7	69.5	89.5
Oleostearine and oleo stock	42.6	37.4	48.3	37.6	35.4	44.3
Tallow, edible	93.8	78.7	91.6	93.0	79.8	95.3
Tallow, inedible, and greases, excluding wool grease 4/	1,127.0	1,374.5	1,550.6	1,079.3	1,233.8	1,649.4
Wool grease	7.2	9.9	13.3	9.8	10.5	17.4
Fish-liver oil 5/	5.2	5.9	2.7	68.8	45.2	28.3
Fish oil	237.6	162.2	183.9	215.5	193.3	174.1
Marine mammal oil 6/	27.6	20.0	.4	71.4	33.5	27.9
Total, animal	5,887.5	6,328.8	6,527.7	5,614.4	5,912.1	6,272.2
Vegetable oils -						
Babassu oil	71.4	61.0	7/ 46.2	67.6	60.2	41.6
Cashew shell oil 8/	---	---	---	1.9	4.8	9/
Castor oil	75.6	100.0	155.1	79.1	90.2	157.4
Coconut oil	273.3	347.2	318.1	600.1	597.8	726.5
Corn oil	150.6	158.1	203.1	157.5	172.0	173.9
Cottonseed oil	1,389.8	1,274.2	1,391.7	1,413.9	1,377.6	1,566.7
Japan wax (tallow) 8/	---	---	---	3.6	2.3	9/
Linseed oil	564.5	606.2	868.1	561.3	590.1	816.2
Murumuru-kernel oil 10/	3.4	2.7	9/	3.4	2.7	9/
Oiticica oil 8/	---	---	---	18.9	15.5	9/
Olive oil, edible	6.9	3.8	10.3	65.8	52.8	22.1
Olive oil, inedible	11/	---	---	8.9	5.7	2.6
Olive oil foots	---	---	---	26.1	17.3	11.4
Palm-kernel oil	10/ 3.7	10/ 13.2	9/	11.4	11.6	6.8
Palm oil	---	---	---	292.0	180.6	291.6
Peanut oil	73.1	83.9	149.7	82.9	61.8	145.9
Perilla oil	10/ 2.4	---	9/	52.2	19.5	8.6
Rape oil	---	---	---	5.8	12.9	10.6
Sesame oil	10/ 4.7	10/ 6.9	9/	8.3	5.2	5.5
Soybean oil	457.6	533.2	586.2	454.7	499.1	556.5
Sunflower oil 8/	---	---	---	.2	11/	9/
Teaseed oil 8/	---	---	---	5.4	4.3	9/
Tucum-kernel oil 10/	4.4	2.3	9/	4.4	2.3	9/
Tung oil	3.0	.7	5.0	105.6	67.6	70.1
Vegetable tallow 8/	---	---	---	2.6	.3	9/
Other oils from imported material	---	---	18.0	---	---	56.1
Total, vegetable	3,084.3	3,193.3	3,751.6	4,033.4	3,854.5	4,669.8
Total, all fats and oils	8,971.8	9,522.1	10,279.3	9,647.8	9,766.6	10,942.0

Continued -

Table 3.- Production and disappearance of specified fats and oils, crude basis, United States, 1939-41 - Continued

Compiled as follows:
Production -
Butter, Bureau of Agricultural Economics.
Lard, Bureau of Animal Industry and Bureau of Agricultural Economics.
Marine animal oils, Fish and Wildlife Service.
Tung oil, Bureau of Foreign and Domestic Commerce.
All other fats and oils, factory production, Bureau of the Census.
Apparent disappearance computed from data on production, trade, and stocks.
Totals computed from unrounded numbers.

1/ Preliminary.
2/ Includes farm production.
3/ Tentative estimate. Official data for farm production not yet available.
4/ Production computed from reported factory consumption, stocks, and trade, includes farm production; factory consumption used to represent total domestic disappearance.
5/ Production 1939 and 1940, includes cod oil, cod-liver oil, shark-liver oil, and other liver oils; production 1941, includes cod oil and cod-liver oil only.
6/ Includes whale oil, sperm-whale oil, and seal oil.
7/ Partly estimated.
8/ Imports.
9/ Included in "other oils from imported material."
10/ Oil equivalent of imported raw material.
11/ Less than 50,000 pounds.

Table 4.- Foreign trade in specified fats, oils, and oil-bearing materials in terms of oil, United States and other countries or regions of the Western Hemisphere, average 1935-38

Region	Imports	Exports	Net imports	Net exports
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Babassu kernels, in terms of oil 1/				
United States	45,325		45,325	
Canada				
Mexico				
Central America and Caribbean countries				
South America	91	45,764		45,673
Total	45,416	45,764		348
Castor oil and beans, in terms of oil				
United States	56,758	544	56,214	
Canada	2,225		2,225	
Mexico	46		46	
Central America and Caribbean countries	292	50	242	
South America	179	106,762		106,583
Total	59,500	107,356		47,856
Coconut oil and copra, in terms of oil				
United States	638,468	11,442	627,026	
Canada	37,502		37,502	
Mexico	53,532	215	53,317	
Central America and Caribbean countries	6,343		6,343	
South America	19,014	387	18,627	
Total	754,859	12,044	742,815	
Corn oil				
United States	27,397	580	26,817	
Canada				
Mexico				
Central America and Caribbean countries				
South America		509		509
Total	27,397	1,089	26,308	
Cottonseed oil and cottonseed, in terms of oil 2/				
United States	15,001	25,000		9,999
Canada	19,814	232	19,582	
Mexico	1,849	3,426		1,577
Central America and Caribbean countries	2,995	303	2,692	
South America	16,576	92,823		76,247
Total	56,235	121,784		65,549

- Continued

Table 4.- Foreign trade in specified fats, oils, and oil-bearing materials in terms of oil, United States and other countries or regions of the Western Hemisphere, average 1935-38 - Continued

Region	Imports	Exports	Net imports	Net exports
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
		Linseed oil and flaxseed, in terms of oil		
United States	361,192	959	360,233	
Canada	21,915	48	21,867	
Mexico	1,012		1,012	
Central America and Caribbean countries	3,162		3,162	
South America	12,555	1,243,162		1,230,607
Total	399,836	1,244,169		844,333
		Olive oil		
United States	97,237		97,237	
Canada	4,129		4,129	
Mexico	2,866		2,866	
Central America and Caribbean countries	12,379		12,379	
South America	59,940	54	59,886	
Total	176,551	54	176,497	
		Oiticica oil 3/		
United States	18,891		18,891	
Canada				
Mexico				
Central America and Caribbean countries				
South America		20,467		20,467
Total	18,891	20,467		1,576
		Palm-kernel oil and palm kernels, in terms of oil		
United States	73,907		73,907	
Canada				
Mexico				
Central America and Caribbean countries				
South America	62	23,046		22,984
Total	73,969	23,046	50,923	
		Palm oil		
United States	329,701		329,701	
Canada	60,652		60,652	
Mexico				
Central America and Caribbean countries	17,057		17,057	
South America	1,894		1,894	
Total	409,304		409,304	

- Continued

Table 4.- Foreign trade in specified fats, oils, and oil-bearing materials in terms of oil, United States and other countries or regions of the Western Hemisphere, average 1935-38 - Continued

Region	Imports	Exports	Net imports	Net exports
	Peanut oil			
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
United States	49,635		49,635	
Canada	76,803		76,803	
Mexico				
Central America and Caribbean countries	21		21	
South America	1,620	7	1,613	
Total	128,079	7	128,072	
	Perilla oil and perilla seed, in terms of oil			
United States	67,008		67,008	
Canada				
Mexico				
Central America and Caribbean countries				
South America				
Total	67,008		67,008	
	Rapeseed oil and rapeseed, in terms of oil			
United States	40,190		40,190	
Canada	206		206	
Mexico				
Central America and Caribbean countries				
South America				
Total	40,396		40,396	
	Sesame oil and sesame seed, in terms of oil			
United States	45,593		45,593	
Canada	92		92	
Mexico	13	137		124
Central America and Caribbean countries				
South America	79	198		119
Total	45,777	335	45,442	
	Soybean oil and soybeans, in terms of oil 3/			
United States	4,146	106,400		102,254
Canada	6,431		6,431	
Mexico				
Central America and Caribbean countries	10,518		10,518	
South America	2,820		2,820	
Total	23,915	106,400		82,485

- Continued

Table 4.- Foreign trade in specified fats, oils, and oil-bearing materials in terms of oil, United States and other countries or regions of the Western Hemisphere, average 1935-38 - Continued

Region	Imports	Exports	Net imports	Net exports
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
		Teaseed oil		
United States	15,751		15,751	
Canada				
Mexico				
Central America and Caribbean countries				
South America				
Total	15,751		15,751	
		Tung oil		
United States	134,307		134,307	
Canada				
Mexico				
Central America and Caribbean countries				
South America				
Total	134,307		134,307	
		Butter		
United States	11,321	1,136	10,185	
Canada	1,391	5,204		3,813
Mexico	181		181	
Central America and Caribbean countries	3,189	561	2,628	
South America	1,351	18,476		17,125
Total	17,433	25,377		7,944
		Lard 4/		
United States	2	204,603		204,601
Canada	77	16,767		16,690
Mexico	6,141		6,141	
Central America and Caribbean countries	51,711		51,711	
South America	6,266	13,272		7,006
Total	64,197	234,642		170,445
		Neatsfoot oil		
United States		836		836
Canada	74	690		616
Mexico				
Central America and Caribbean countries				
South America		924		924
Total	74	2,450		2,376

- Continued

Table 4.- Foreign trade in specified fats, oils, and oil-bearing materials in terms of oil, United States and other countries or regions of the Western Hemisphere, average 1935-38 - Continued

Region	Imports	Exports	Net imports	Net exports
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
		Oleo oil, oleostearine, and oleo stock		
United States	5,088	11,293		6,205
Canada				
Mexico				
Central America and Caribbean countries ..	324		324	
South America	306	50,930		50,624
Total	5,718	62,223		56,505
		Stearine		
United States				
Canada				
Mexico	1,338		1,338	
Central America and Caribbean countries ..				
South America	39	11,408		11,369
Total	1,377	11,408		10,031
		Tallow 4/		
United States	1,304	729	575	
Canada	830	1,888		1,058
Mexico				
Central America and Caribbean countries ..	2,512		2,512	
South America	3,643	87,424		83,781
Total	8,289	90,041		81,752
		Wool grease		
United States	4,669		4,669	
Canada				
Mexico				
Central America and Caribbean countries ..				
South America				
Total	4,669		4,669	
		Fish-liver oils		
United States	61,972		61,972	
Canada and Newfoundland.	3,313	8,442		5,129
Mexico				
Central America and Caribbean countries ..	360		360	
South America	591		591	
Total	66,236	8,442	57,794	

- Continued

Table 4.- Foreign trade in specified fats, oils, and oil-bearing materials in terms of oil, United States and other countries or regions of the Western Hemisphere, average 1935-38 - Continued

Region	Imports	Exports	Net imports	Net exports
	Fish oils			
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
United States	1,075	2,514		1,439
Canada and Newfoundland	251	17,369		17,118
Mexico				
Central America and Caribbean countries				
South America		527		527
Total	1,326	20,410		19,084
	Whale oil			
United States	32,028		32,028	
Canada and Newfoundland	4,347	12,762		8,415
Mexico				
Central America and Caribbean countries				
South America				
Total	36,375	12,762	23,613	

Compiled from official sources and the International Yearbook of Agricultural Statistics. Data are not complete for all commodities, since trade figures for some countries are not completely available. But the totals are believed to reflect the net Hemisphere trading position fairly accurately. Oilseeds converted to oil equivalent using the following yields: Babassu kernels and copra, 63 percent; castor beans and palm kernels, 45 percent; cottonseed, 15.5 percent; flaxseed, 34 percent; perilla seed, 37 percent; rapeseed, 35 percent; sesame seed, 47 percent; soybeans, 15 percent.

1/ Average 1936-39.
2/ Cottonseed oil estimated as of 1940; earlier period not representative.
3/ Year 1939; earlier period not representative.
4/ Year 1938; earlier period not representative.

Table 5.- Wholesale prices of fats and oils: Index numbers, February 1940 and 1941, December-February 1941-42

(1924-29=100)

Group	Feb.		1941-42		
	1940	1941	Dec.	Jan.	Feb.
Eight domestic fats and oils 1/ ..	87	88	118	122	125
Eight domestic fats and oils	62	63	84	87	89
All fats and oils (27 items)	67	68	93	96	97
Grouped by origin:					
Animal fats	62	64	80	82	83
Marine animal oils	90	93	118	121	125
Vegetable oils, domestic	70	65	117	123	125
Vegetable oils, foreign	91	96	149	154	156
Grouped by use					
Butter	66	68	79	80	79
Butter, adjusted 2/	64	66	71	79	76
Lard	47	47	76	82	93
Food fats, other	69	70	136	140	142
Soap fats	68	66	121	126	128
Drying oils	100	95	112	118	124
Miscellaneous oils	102	85	106	107	113

Data for earlier years beginning 1910 are given in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940.

1/ 1910-14 = 100. 2/ Adjusted for typical seasonal variation.

Table 6.- Prices of specified oil-bearing materials, February 1940 and 1941, December-February 1941-42

Item	Unit	Feb.		1941-42		
		1940	1941	Dec.	Jan.	Feb.
		Dol.	Dol.	Dol.	Dol.	Dol.
Castor beans, Brazilian, shipment, c. & f., New York	Long ton	---	51.00	77.25	78.70	94.38
Copra, bags, f.o.b Pacific Coast	100 lb.	1.76	1.82	5.12	5.50	---
Cottonseed, U.S. farm price .	Short ton	26.64	24.61	44.65	43.24	45.04
Flaxseed, No. 1, Minneapolis	Bu.	2.14	1.75	2.00	2.23	2.33
Flaxseed, U.S. farm price ...	"	1.88	1.52	1.78	1.95	2.08
Peanuts, shelled, Runners No. 1, S. E. mills	100 lb.	5.38	5.25	8.30	8.67	9.95
Peanuts, (for nuts and oil) U. S. farm price	" "	3.60	3.39	4.79	5.11	5.44
Peanuts for oil, delivered designated agencies	100 lb.	---	---	4.21	4.07	4.08
Soybeans, No. 2 Yellow, Chicago	Bu.	1.06	.95	1.67	1.83	1.95
Soybeans, U. S. farm price ..	"	.96	.84	1.47	1.65	1.78

Compiled from Oil, Paint and Drug Reporter, Daily Trade Bulletin (Chicago), Daily Market Record (Minneapolis), and reports of the Agricultural Marketing Service, and Bureau of Agricultural Economics.

Table 7.- Price per ton of specified oilseed meals, February 1940 and 1941, December-February 1941-42

Item 1/	Feb.		1941-42		
	1940	1941	Dec.	Jan.	Feb.
	Dollars	Dollars	Dollars	Dollars	Dollars
Copra meal, Los Angeles	21.55	24.40	42.50	48.30	49.50
Cottonseed meal, 41 percent protein, Memphis	29.80	24.45	38.35	39.90	37.90
Cottonseed meal, 41 percent protein, Chicago	35.90	31.25	44.45	46.10	43.60
Linseed meal, 37 percent protein, Minneapolis	31.25	28.40	38.50	39.50	42.50
Linseed meal, 34 percent protein, New York	38.00	23.90	33.20	34.75	2/34.50
Peanut meal, 45 percent protein f.o.b. southeastern mills	33.17	20.69	40.65	44.12	45.69
Soybean meal, 41 percent protein, Chicago	29.95	26.60	42.50	46.45	46.45

Compiled from records of the Agricultural Marketing Service.
1/ Bagged, carlots, except peanut meal. 2/ Bulk.

Table 8.- Production and stocks of butter, lard, rendered pork fat, cottonseed oil, and peanut oil, January 1940 and 1941, November-January 1941-42

Item	Jan.		1941-42		
	1940	1941	Nov.	Dec.	Jan. 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production					
Creamery butter	129.7	135.6	115.1	117.9	121.4
Lard, Federal inspection	178.4	125.0	127.7	171.4	183.3
Rendered pork fat 2/	---	13.8	13.9	19.0	20.0
Cottonseed oil, crude	167.5	179.3	178.3	154.4	146.7
Peanut oil, crude	2.0	22.9	11.5	8.6	3.4
Stocks end of month					
Butter	29.2	29.7	152.5	114.4	83.1
Lard	202.2	299.6	171.0	181.2	204.4
Rendered pork fat 2/	---	7.2	5.4	5.3	5.1
Cottonseed oil, crude basis 3/	835.2	696.4	453.3	508.0	528.8
Peanut oil, crude basis 3/	---	---	---	43.6	---

Compiled as follows:

Production of creamery butter and peanut oil, and cold storage holdings of butter, lard and rendered pork fat, Agricultural Marketing Service.

Production under Federal inspection of lard and rendered pork fat, Bureau of Animal Industry.

Factory production and stocks of cottonseed oil, and stocks of peanut oil, Bureau of the Census.

1/ Preliminary. 2/ Included with lard prior to November 1940. 3/ Crude plus refined converted to crude basis by dividing by the following factors: Cottonseed oil, 0.93; peanut oil, 0.94.

Table 9.- Oleomargarine: Production and materials used in manufacture, January 1940 and 1941, November-January 1941-42

Item	January		1941-42 1/		
	1940	1941	November	December	January
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Production:					
Colored	150	404	232	412	424
Uncolored	29,209	33,626	32,270	34,226	34,647
Total 2/	29,359	34,030	32,503	34,638	35,071
Materials used:					
Oleo oil	1,144	1,788	1,684	2,127	2,234
Oleostearine	265	227	179	235	294
Lard, neutral	241	777	695	992	1,217
Oleo stock	120	158	241	355	360
Monostearine	---	16	16	18	17
Total, animal	1,770	2,966	2,815	3,727	4,122
Cottonseed oil	10,077	13,450	14,650	14,129	14,427
Soybean oil	8,973	9,460	3,761	5,242	6,906
Peanut oil	166	200	169	205	195
Corn oil	84	37	106	70	118
Cottonseed stearine	---	---	---	---	6
Total, domestic vegetable	19,300	23,147	18,686	19,646	21,652
Coconut oil	2,051	1,280	4,198	4,153	2,146
Babassu oil	692	---	42	---	5
Palm oil	---	---	632	528	728
Palm flakes	---	---	32	28	---
Palm-kernel oil	---	---	---	137	---
Total, foreign vegetable	2,743	1,280	4,904	4,846	2,879
Total fats and oils	23,813	27,393	26,405	28,219	28,653
Milk	5,696	6,227	5,765	6,230	6,113
Salt	1,214	1,174	1,084	1,186	1,209
Derivative of glycerine	73	87	70	76	73
Lecithin	7	77	21	22	24
Soda (benzoate of)	12	14	15	15	16
Vitamin concentrate	1	2	9	8	8
Miscellaneous	---	1	2	2	15
Total, other materials	7,003	7,582	6,966	7,539	7,458
Total, all materials	30,816	34,975	33,371	35,758	36,111

Compiled from Internal Revenue records and Internal Revenue Bulletin.

1/ Preliminary.

2/ Total of unrounded numbers.